

Financial Executives International

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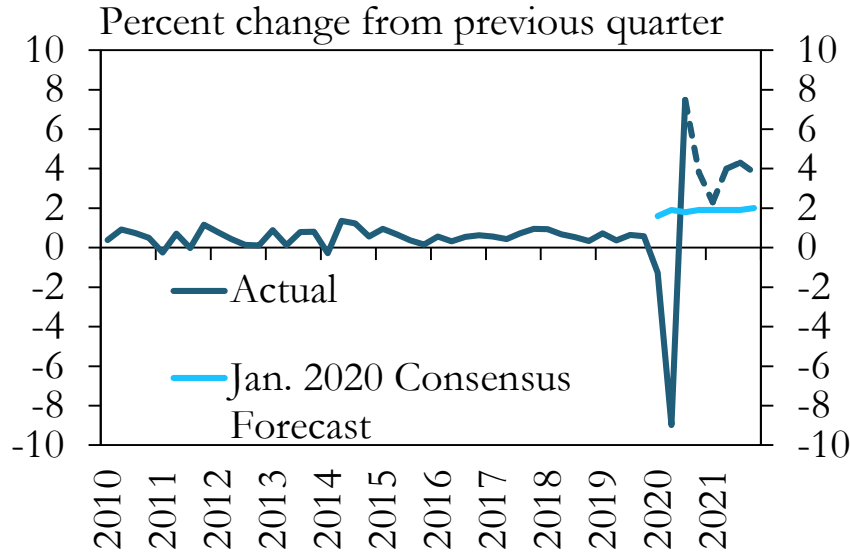
Outlook Themes

- Some economic indicators have returned to pre-pandemic levels.
- However, significant disparities persist, and uncertainty remains high.
- Monetary policy is likely to remain accommodative for some time as effects of the pandemic endure.

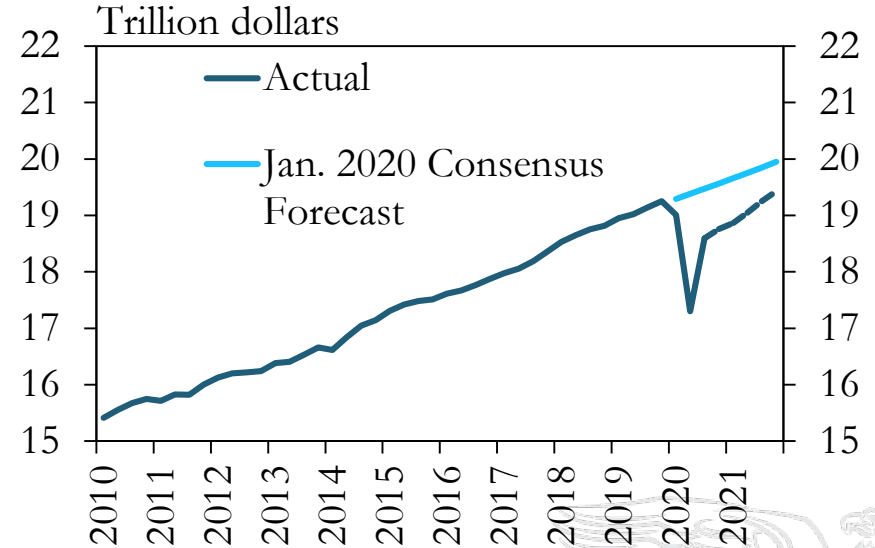


Following a record expansion, and record drop, some measures of economic activity have rebounded.

U.S. Real GDP Growth

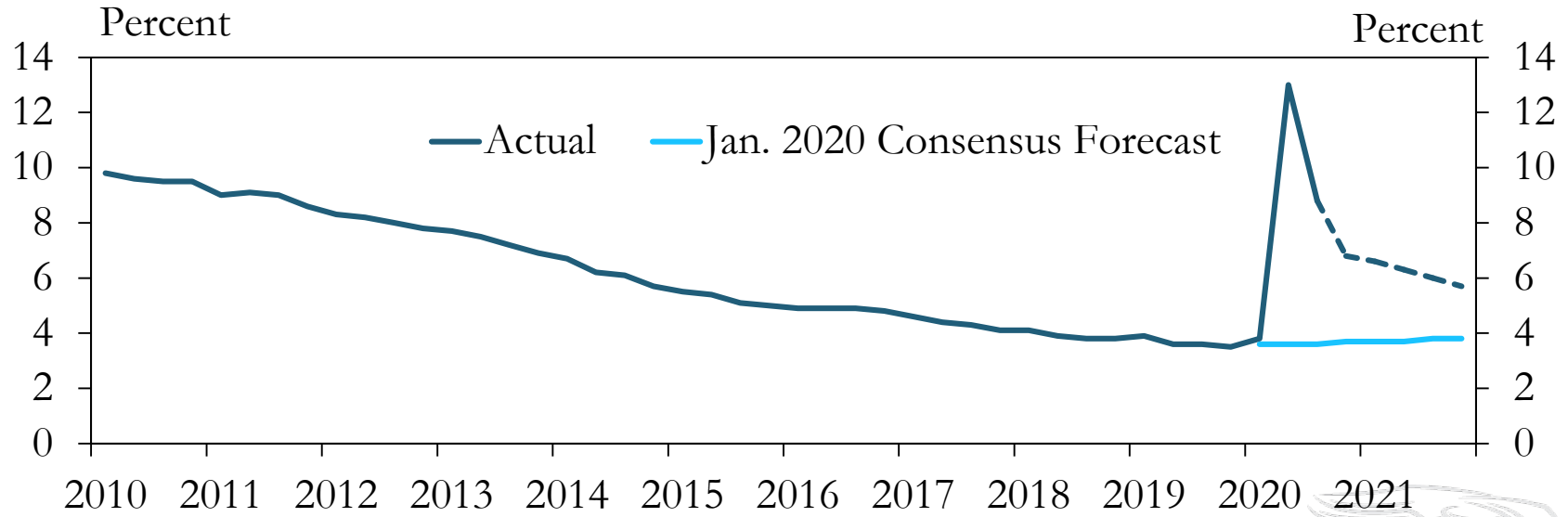


U.S. Real GDP



Unemployment has retreated from its peak but appears likely to remain elevated.

U.S. Unemployment Rate

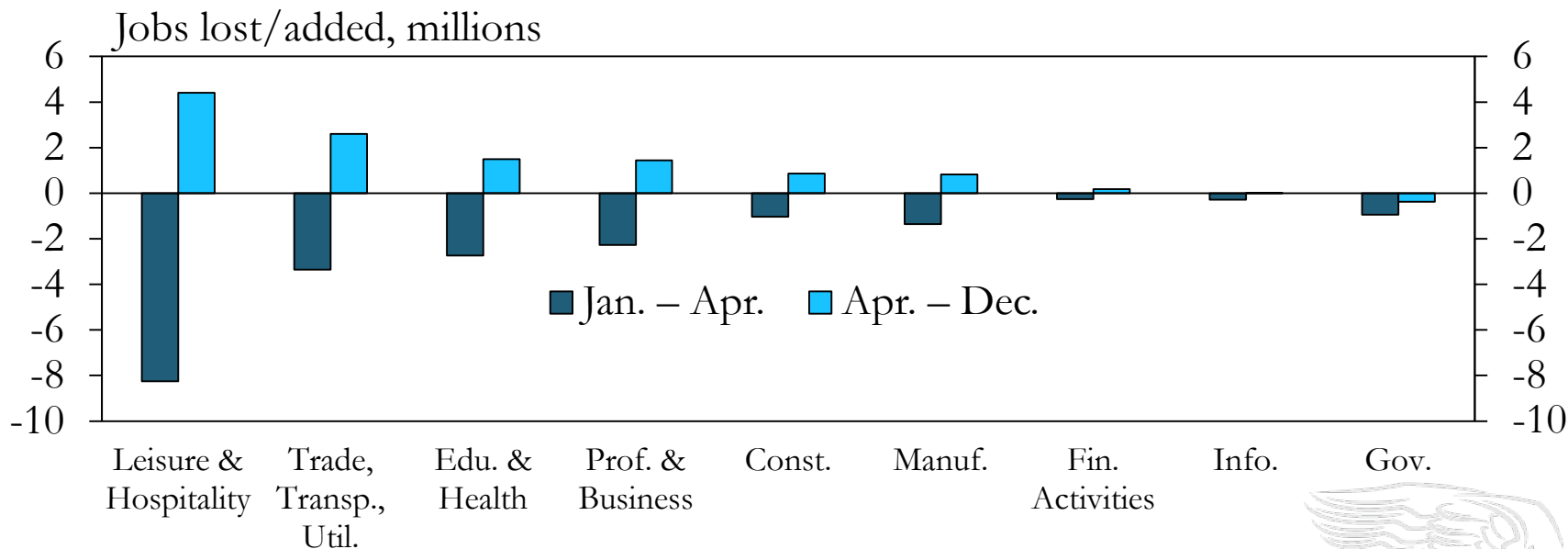


Source: BLS, Wolters Kluwer and Haver Analytics.



Job gains have been broad-based following the highly uneven economic shock.

U.S. Employment Growth by Industry

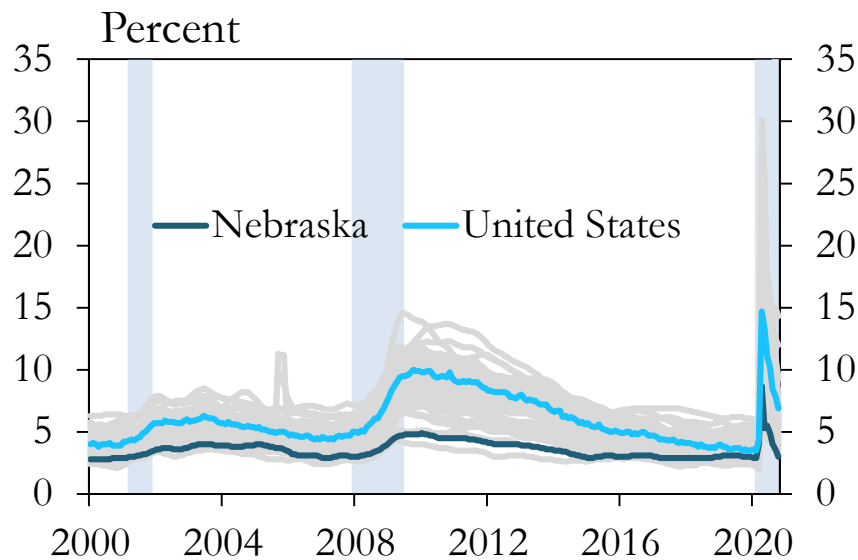


Source: BLS and Haver Analytics.

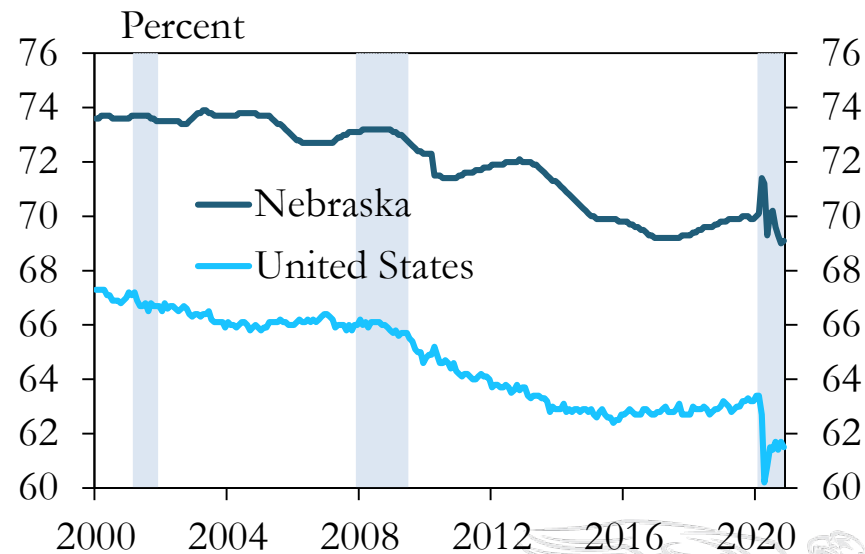


Regionally, Nebraska's economy has weathered the crisis better than most states.

State Unemployment Rates



Labor Force Participation



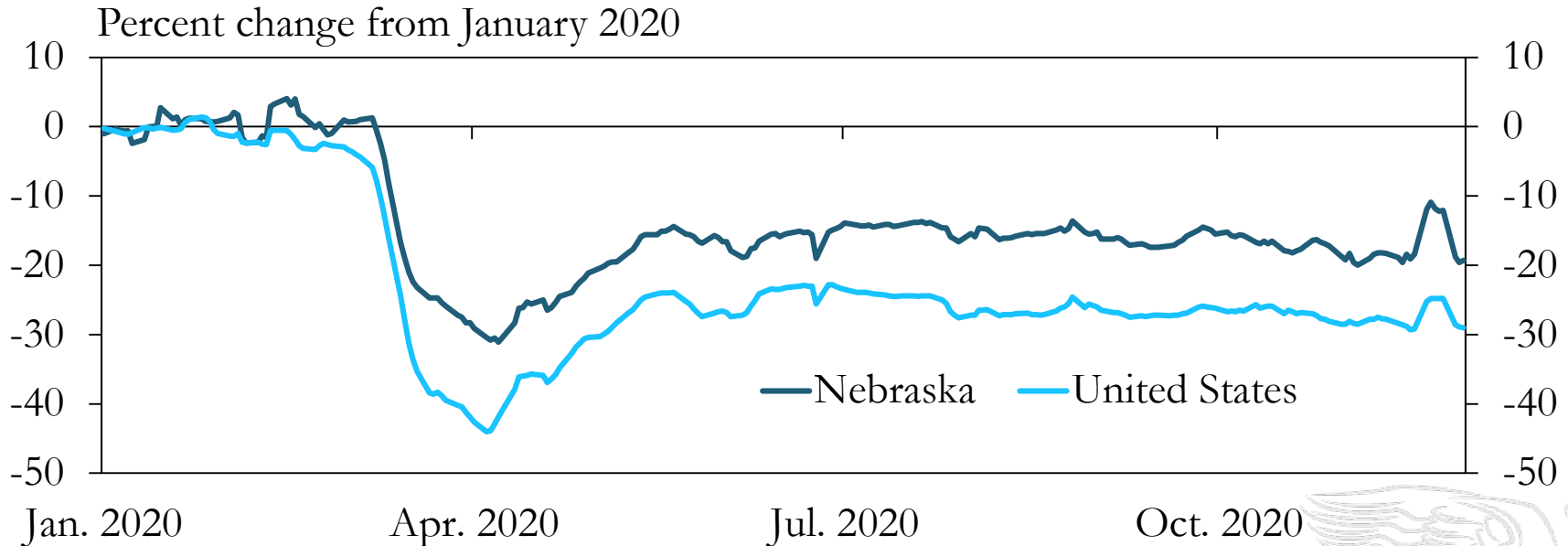
Note: Blue bars indicate NBER-defined recessions.

Sources: BLS and Haver Analytics.



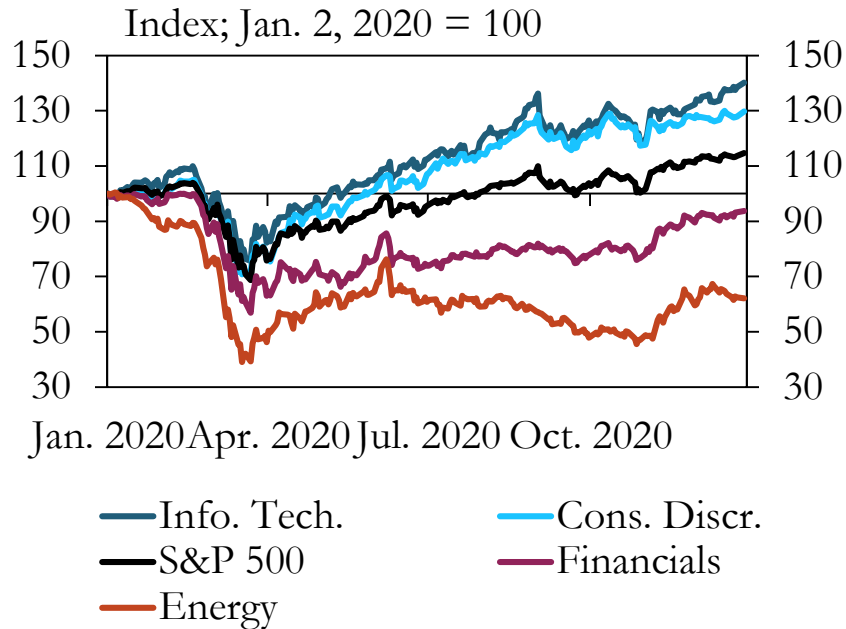
Following the reopening of businesses last spring, many remain shuttered and still face pressure.

Number of Small Businesses Open

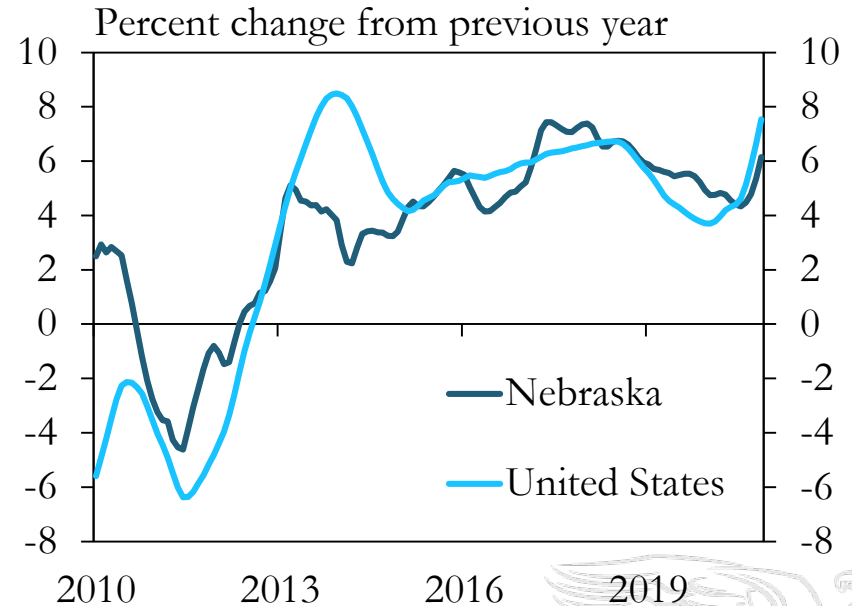


Some markets have more than recovered initial losses despite the unevenness.

2020 Equity Performance

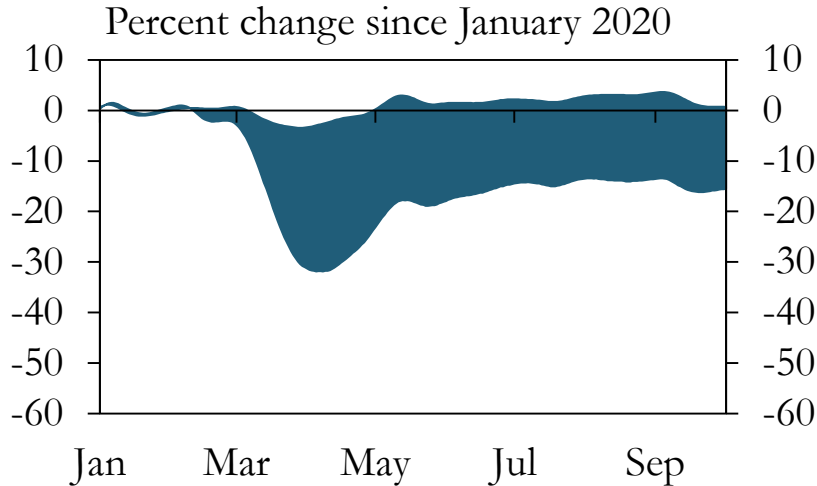


Median Home Prices

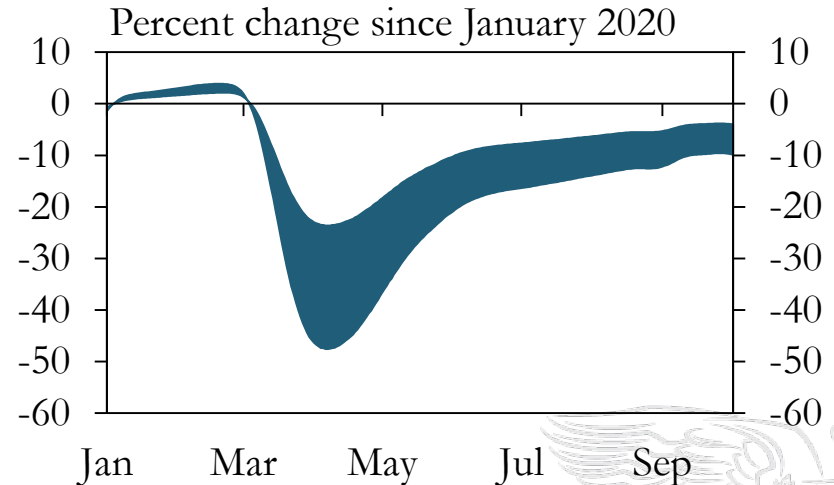


Employment gaps between high- and low-income workers have also persisted.

Gap in Employment between High- and Low-Income Workers, Nebraska

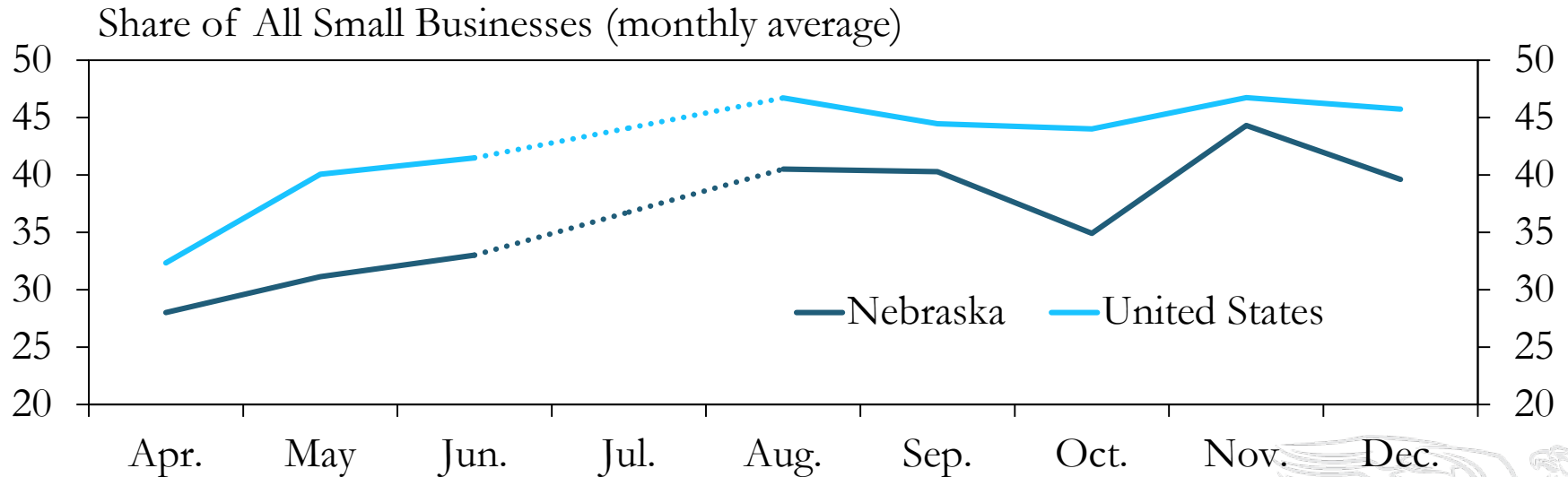


Gap in Employment between High- and Low-Income Workers, United States



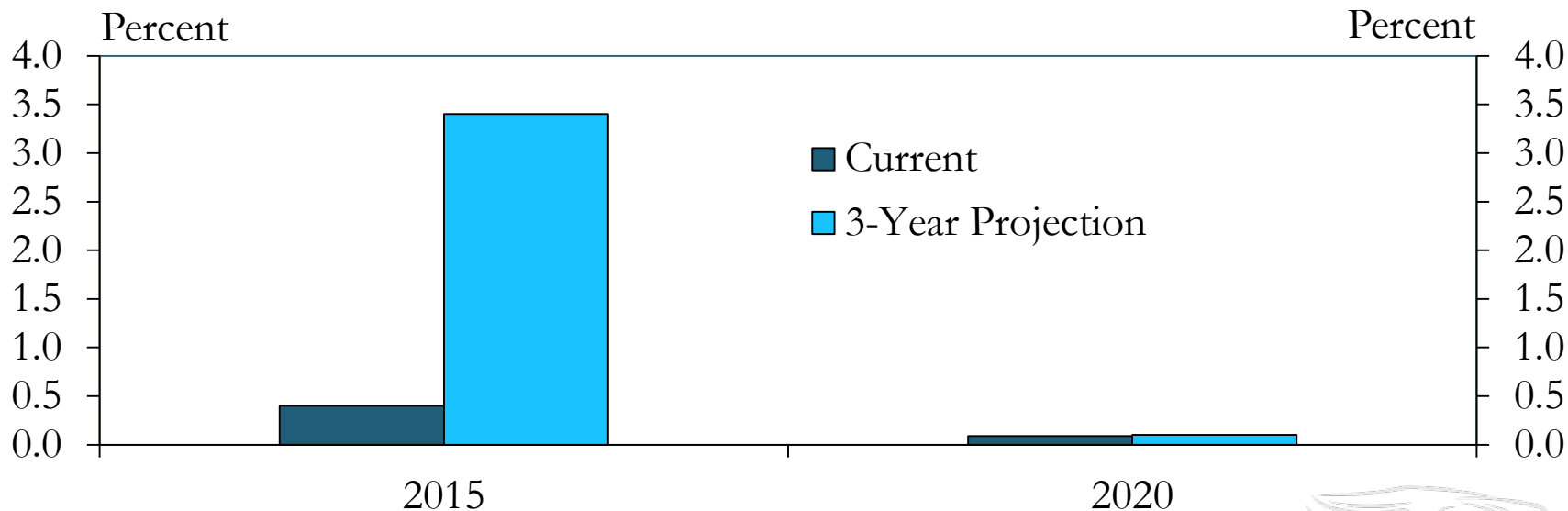
Many businesses have gradually extended their expectations for a return to normal.

Small Businesses Expecting Return to Normal is At Least 6 Months Away



Recognizing persistent risks, interest rates are poised to remain low for some time.

Median Federal Funds Rate, December

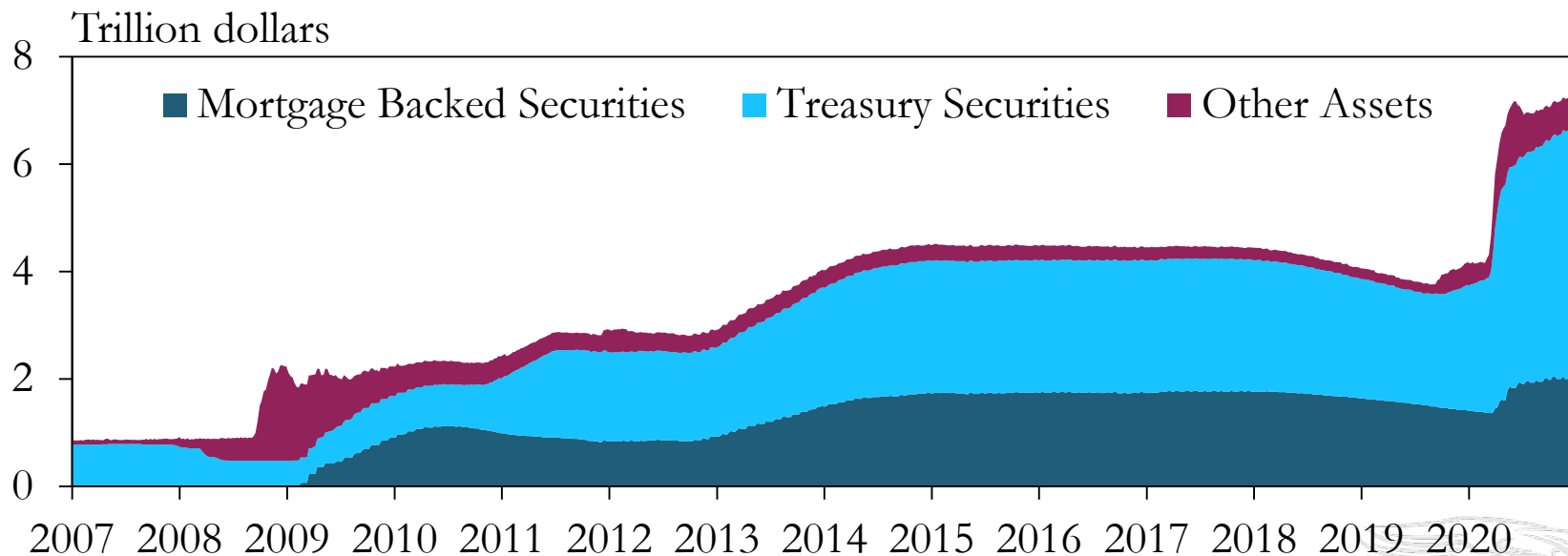


Source: Board of Governors.



The Fed has provided additional monetary policy accommodation through ongoing asset purchases.

Federal Reserve Balance Sheet

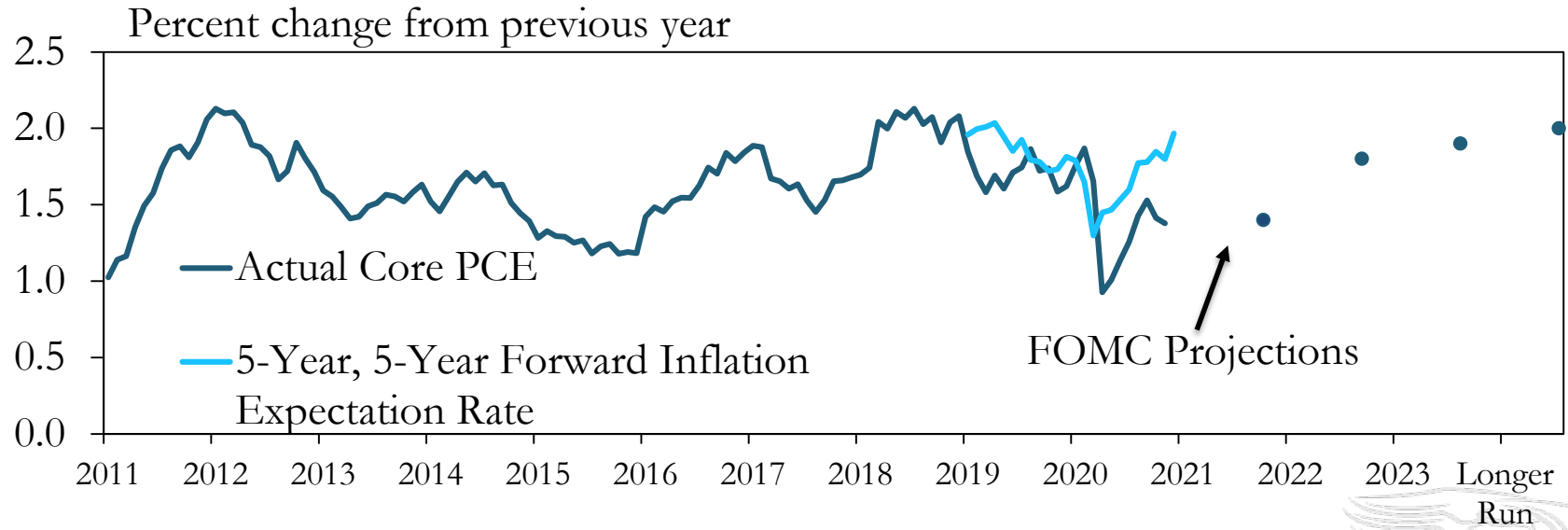


Source: Board of Governors and Federal Reserve Bank of St. Louis.



Inflation has remained subdued overall, with expectations of a gradual increase to the 2% target.

Inflation and Expectations

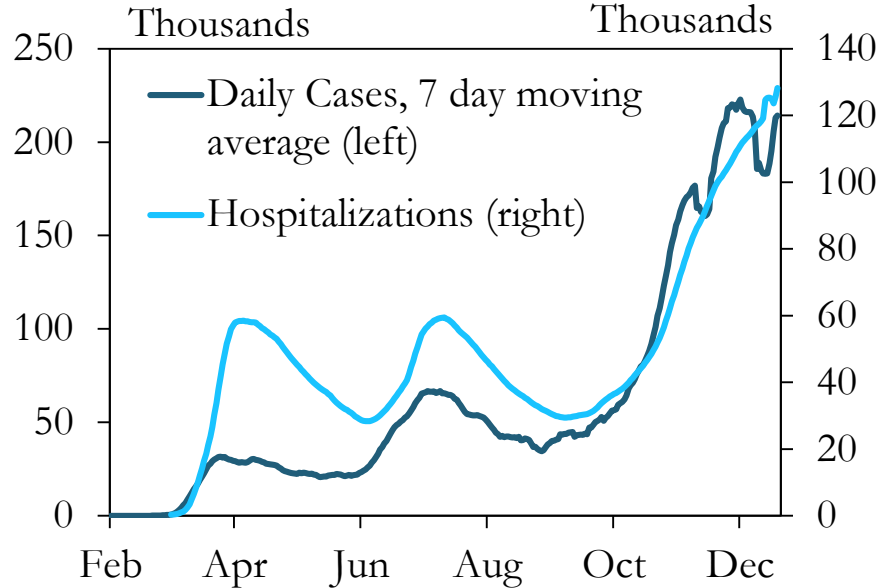


Sources: BEA, Board of Governors and Haver Analytics.

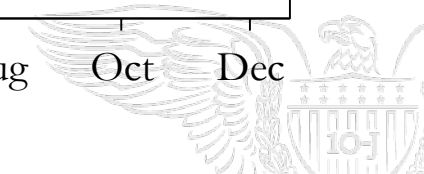
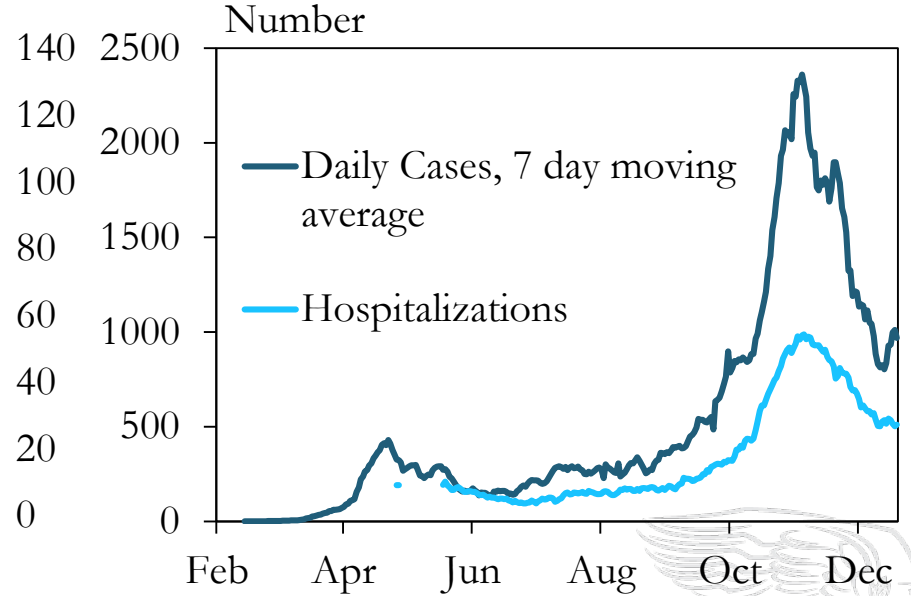


The economic outlook, however, is still highly dependent on the course of the pandemic.

COVID-19 Cases and Hospitalizations in U.S.



COVID-19 Cases and Hospitalizations in Nebraska



Concluding Thoughts

- Economic growth is poised to recover further, but still lag the path expected in the absence of COVID-19.
- There is notable optimism surrounding widespread vaccination, but many of the disparities brought out by the pandemic could still remain amid structural changes in the economy.



